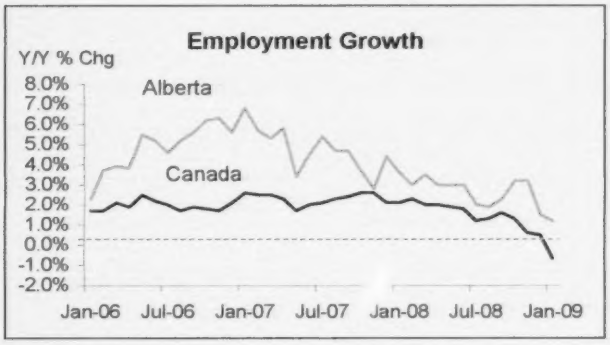
Alberta Labour Market

Alberta bucks the trend...

The Alberta economy gained 3,300 jobs in January, although an increase in the size of the labour force caused the unemployment rate to rise from 4.2% to 4.4%. The Canadian economy as a whole shed 129,000 jobs, the worst monthly loss in over 33 years. Despite the decline in Canadian employment, average hourly wages increased by 4.8% from January 2008. Albertan average hourly wages grew as well, increasing by 1.6% on a month-over-month basis and 6.2% year-over-year.



Alberta Real Estate

Sharp declines in the Alberta housing market...

The value of building permits issued in Alberta fell by a 33.1% on a year over year basis in December; considerably higher than the overall Canadian decline of 23.2%. The collapse in Alberta was widespread, with both non-residential (-25.2%) and residential (-39.9%) sectors contributing.

Year-over-year MLS sales plunged by 49.2% in Calgary, driving down the prices of single-family homes by 9.3% and the prices of condominiums by 12.9%. The Edmonton market fell 40.9% from January 2008. Year-over-year prices in Edmonton also fell, but only by around 7%. However, MLS sales in both Edmonton and Calgary did increase slightly from December levels, providing a rare bit of good news.

Canadian Dollar (US¢/CS)	
February 6, 2009	80.72
January 30, 2009	80.88
2008-09 YTD	91.33
WTI Oil US$/bbl	
February 5, 2009	$ 41.17
January 29, 2009	$ 41.44
2008-09 YTD	$ 94.73
Nymex Natural Gas CS/MMBtu *	
February Contract	
February 6, 2009	$ 5.65
January 30, 2009	$ 5.53

* Estimate based on Nymex Futures Market Price

Ivey Purchasing Managers Index

Leading indicators look grim...

The Ivey Purchasing Managers Index fell for the third straight month in January, to a recessionary level of 36.1. The Ivey Index tracks public and private sector purchasing activity in Canada, with values under 50 indicating slowing activity and sustained values under 42 usually indicating a recession.

Drilling Rigs

Conventional drilling slows down...

On average, 263 rigs were drilling in Alberta last month. This represents the lowest January figure since 1993, as well as a 24.4% decline from January 2008. Moreover, last month rig utilization rates averaged 43%, a 17-year January low.

U.S. Labour Market

U.S. economy continues to deteriorate...

The U.S. jobless rate rose by 0.4 percentage points to 7.6% in January. Employment fell by 598,000, the largest monthly decline since 1974. In total, 3.6 million jobs have been lost since December 2007, the worst employment contraction in the post-war period. U.S. personal income declined in December, falling 0.2% from November levels and contributing to a 1.0% drop in personal consumption expenditures.

Alberta CURRENT ECONOMIC INDICATORS

February 6, 2009

Overall Economy	2007	2008	2009YTD*	(year-over-year % change unless otherwise noted) August	Sept	Oct	Nov	Dec	Jan
Real GDP (in 2002 $billions)	187.5	--	--	--	--	--	--	--	--
% change	3.1	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	--	--	--	--	--	--	--	--
% change	8.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	--	--	--	3,611	--	--	--
% change	2.6	2.1	--	--	--	2.4	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	--	--	--	4,927	--	--	--
Net International Migration[1] (level)	16,136	19,283	--	--	--	4,907	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	--	--	--	8,061	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	2,025	2,007	2,022	2,035	2,032	2,023	2,025
% change	4.7	2.8	1.2	1.9	2.3	3.2	3.2	1.5	1.2
Unemployment Rate (%)	3.5	3.6	4.4	3.5	3.8	3.7	3.5	4.2	4.4
Average Hourly Wage Rate	6.0	5.7	6.2	5.3	5.5	6.2	5.0	4.1	6.2
Average Weekly Earnings	4.5	4.9	--	5.3	5.8	3.9	5.8	--	--
Labour Income[2]	11.4	8.6	--	8.3	8.2	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	--	4.0	2.8	2.4	2.1	1.9	--
Excluding food and energy	4.9	1.9	--	1.5	1.1	1.3	1.8	1.7	--
Non-Res. Const. Cost Index[3] (quarterly)	17.3	14.7	--	--	--	16.1 (Q3)	--	--	--
Farm Product Price Index	13.5	12.4	--	14.9	-0.5	0.5	-1.8	--	--
Crops	39.5	31.9	--	16.4	-4.5	-9.8	-13.5	--	--
Livestock	0.8	0.8	--	10.5	9.8	13.4	14.2	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.3	30.0	--	23.7	24.6	26.2	21.5	21.0	--
% change	-1.3	-37.6	--	-51.5	-56.8	-47.9	-53.2	-44.6	--
New Housing Price Index	22.5	1.3	--	-3.3	-3.4	-4.5	-5.1	--	--
Edmonton	32.1	1.9	--	-5.7	-5.8	-7.7	-7.9	--	--
Calgary	16.2	1.1	--	-1.1	-1.2	-1.6	-2.5	--	--
MLS Average Resale Prices	24.3	-1.4	--	-5.2	-5.0	-3.7	-4.2	-7.4	--
Edmonton	34.3	-2.0	--	-4.8	-5.6	-8.6	-2.0	-5.7	--
Calgary	18.7	-2.9	--	-8.0	-6.0	-5.6	-6.0	-9.4	--
Retail Sales	9.3	0.6	--	-3.1	2.1	3.1	-5.7	--	--
New Motor Vehicle Sales	3.3	-5.8	--	-13.5	-1.9	-2.6	-11.5	--	--
Business Sector									
Public and Private Investment[4]	4.9	3.8	--	--	--	--	--	--	--
Mining and oil and gas[4]	-5.5	-0.8	--	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-24.4	10.7	6.9	18.3	3.5	-10.2	-24.4
Goods Exports (customs based)	5.5	37.9	--	45.4	52.5	47.1	17.2	--	--
Energy	4.4	47.0	--	55.1	66.1	56.2	19.3	--	--
Agriculture	12.4	28.9	--	21.5	24.3	31.3	35.4	--	--
Total Farm Cash Receipts (quarterly)	11.9	18.4	--	--	--	--	18.4 (Q3)	--	--
Manufacturing Shipments	1.9	8.4	--	10.1	21.0	8.9	-4.3	--	--
Wholesale Trade	4.5	10.5	--	11.7	21.4	14.8	6.8	--	--
Building Permits	13.4	-16.6	--	-31.2	-17.3	-42.4	-13.4	-33.1	--
Residential	10.7	-32.2	--	-46.5	-44.5	-34.2	-38.6	-39.9	--
Non-residential	17.1	4.2	--	-8.2	29.4	-48.9	24.3	-25.2	--

Alberta Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). Year-to-date value is actual 2008. The October population estimate is also the 2009 year-to-date value.

[2] Total income earning in Alberta including wages and salaries, and supplementary income.

[3] Average of Calgary and Edmonton.

[4] 2008 based on initial investment intentions, 2007 preliminary actuals.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2008)											
Real GDP Growth											
2007 (actuals, Statistics Canada)	**2.7%**	9.1%	2.4%	1.7%	1.7%	2.7%	2.3%	3.3%	2.5%	**3.1%**	3.0%
2008	**0.7%**	1.5%	0.7%	1.5%	1.0%	0.9%	0.2%	2.7%	5.2%	**1.2%**	1.2%
2009	**1.5%**	-0.7%	1.3%	1.0%	0.8%	1.5%	0.8%	2.4%	3.6%	**2.6%**	1.8%
Population (As of October 1, 2008)											
Population	**33,441,277**	508,944	140,750	939,125	747,790	7,771,854	12,977,059	1,210,547	1,020,847	**3,610,782**	4,405,534
Annual Growth Rate[a]	**1.19%**	0.30%	1.54%	0.26%	0.19%	0.87%	1.07%	1.10%	1.49%	**2.36%**	1.64%
Net Interprovincial Migration											
2008 Census Year (July 1 2007 to June 30 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
3rd Quarter (July 1 to September 30 2008)		823	127	-722	-741	-3,046	-3,200	-1,515	2,064	**4,927**	1,484
Employment											
Level Change (000s)[b]	**-109.9**	-7.4	-1.9	2.6	3.2	-39.2	-70.2	3.5	16.6	**23.5**	-40.6
Percent Change[b]	**-0.7%**	-3.6%	-2.9%	0.6%	0.9%	-1.0%	-1.1%	0.6%	3.3%	**1.2%**	-1.8%
Unemployment Rate, 2009 avg	**7.2**	14.3	11.9	8.8	8.7	7.7	8.0	4.6	4.1	**4.4**	6.1
Participation Rate, 2009 avg	**67.4**	59.0	67.2	64.6	65.1	65.3	67.6	69.5	70.2	**74.9**	65.7
Average Weekly Earnings (SA)											
November 2008	**804.58**	752.99	649.18	692.73	741.61	746.68	835.82	725.17	770.06	**901.12**	780.47
% Increase[c]	**2.9%**	3.8%	2.0%	2.1%	3.3%	2.4%	2.6%	2.8%	4.4%	**4.9%**	2.0%
Wage Settlements (November 2008)										**4.8%**	
CPI Inflation											
December Annual	**1.2%**	1.2%	0.0%	-0.2%	-0.6%	0.5%	1.5%	1.9%	2.6%	**1.9%**	1.2%
Excluding Shelter	**0.4%**	0.0%	-0.4%	-0.8%	-1.1%	-0.2%	0.5%	1.0%	0.4%	**0.6%**	0.8%
Housing Starts (000s)											
SAAR December 2008	**177.3**	3.6	0.9	3.9	3.1	43.8	64.0	7.0	5.6	**21.0**	24.3
Retail Sales											
Percent Change[c]	**4.1%**	8.5%	5.4%	4.9%	5.2%	5.3%	4.3%	7.9%	11.7%	**0.6%**	1.4%
Avg. Monthly % Change (Jan-Nov 2008)	**-0.1%**	0.4%	0.5%	0.2%	0.2%	0.2%	-0.1%	0.2%	0.4%	**-0.3%**	-0.5%
Manufacturing Shipments											
Percent Change[c]	**0.1%**	32.8%	-3.3%	11.3%	18.8%	2.3%	-4.6%	1.8%	19.3%	**8.4%**	-6.5%

a. Over the past 12 months
b. January 2009 Y/Y change, unadjusted for seasonal effects
c. January 2008 to November 2008 (YTD)
SA-Seasonally Adjusted

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada

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